

Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2008

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		% Change
	31/12/2008	31/12/2007	
	\$'000	\$'000	
Revenue	12,018	19,341	(37.86)
Cost of goods sold	(18,651)	(22,919)	(18.62)
Gross loss	(6,633)	(3,578)	85.38
Other operating income	1,029	1,098	(6.28)
Selling and distribution expenses	(744)	(867)	(14.19)
Administrative expenses	(4,237)	(4,831)	(12.30)
Other operating expenses	(8,513)	(2,820)	201.88
Loss from operations	(19,098)	(10,998)	73.65
Finance costs	(573)	(755)	(24.11)
Loss before exceptional items	(19,671)	(11,753)	67.37
Exceptional items	(743)	(104)	N.M.
Loss before taxation	(20,414)	(11,857)	72.17
Taxation	76	(284)	N.M.
Loss attributable to shareholders of the Company	(20,338)	(12,141)	67.52
Loss per share (cents)	(7.69)	(5.44)	

N.M.: Not Meaningful

1 (a)(i) Loss from operations includes:

	Group	
	31/12/2008	31/12/2007
	\$'000	\$'000
Loss on disposal of property, plant and equipment	(2,099)	(13)
Impairment loss in value of idle assets	(6,135)	(1,213)
Interest income on bank deposits	3	4
Foreign exchange gain/(loss)	791	(759)
Depreciation of property, plant and equipment	(6,043)	(7,662)
Allowance for inventory obsolescence	(67)	(458)
Allowance for doubtful trade receivables	-	(144)
Bad debts written off	-	(8)
Bad debts recovered	31	209

1 (a)(ii) Exceptional items

	Group	
	31/12/2008	31/12/2007
	\$'000	\$'000
Gain on waiver of loan from a corporate shareholder	-	3,000
Retrenchment costs	(443)	-
Write down in value of property, plant and equipment due to closure and relocation of factory	(323)	(2,620)
Relocation expenses	23	(484)

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, plant and equipment	1,297	19,164	7	9
Investments in subsidiaries	-	-	-	12,481
Deferred tax assets	-	624	-	-
	1,297	19,788	7	12,490
Current Assets				
Assets held for sale	4,377	-	-	-
Inventories	141	414	-	-
Amounts due from subsidiaries, trade	-	-	-	9,621
Trade receivables	3,174	6,477	2,614	4,262
Other receivables	1,333	335	1,118	178
Prepayments	104	103	19	20
Cash and bank balances	2,362	886	1,893	417
	11,491	8,215	5,644	14,498
Current Liabilities				
Borrowings	6,671	8,927	867	1,490
Amounts due to subsidiary, trade	-	-	179	-
Trade payables	4,122	5,457	2,191	3,819
Other payables and accruals	2,180	2,684	827	990
Obligations under finance leases	147	360	111	256
Income tax payable	309	380	144	144
	13,429	17,808	4,319	6,699
Net Current (Liabilities) / Assets	(1,938)	(9,593)	1,325	7,799
Non-Current Liabilities				
Borrowings	10,699	4,762	10,699	4,470
Obligations under finance leases	-	45	-	-
Deferred tax liabilities	-	624	-	-
	10,699	5,431	10,699	4,470
Net (Liabilities) / Assets	(11,340)	4,764	(9,367)	15,819
Capital and reserves				
Share capital	22,945	18,706	22,945	18,706
Reserves	(34,285)	(13,942)	(32,312)	(2,887)
	(11,340)	4,764	(9,367)	15,819

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
280	6,391	336	8,591

Amount repayable after one year

As at 31/12/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	10,699	292	4,470

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	\$'000	\$'000	\$'000	\$'000
Borrowings (Current)				
Bank overdrafts, unsecured	2,118	2,919	867	1,490
Revolving credits, unsecured	3,315	3,416	-	-
Term loans, unsecured	958	2,256	-	-
Term loan, secured	280	336	-	-
Total Borrowings (Current)	6,671	8,927	867	1,490
Borrowings (Non-current)				
Term loan, secured	-	292	-	-
Loans from a Corporate Shareholder, unsecured	10,699	4,470	10,699	4,470
Total Borrowings (Non-Current)	10,699	4,762	10,699	4,470
Total Borrowings	17,370	13,689	11,566	5,960

Details of any collateral

The secured debts of the Group comprise of a term loan, which is secured against a specific charge over the machineries and equipment financed by a bank.

Additionally the bank borrowings are also secured by the joint personal guarantee of two directors of up to S\$4 million.

Breach of certain banking covenants

As at 31 December 2008, the Company has breached certain banking covenants and is currently seeking a waiver from its banker as in previous years.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	31/12/2008	31/12/2007
	\$'000	\$'000
Cash flow from operating activities		
Loss before taxation	(20,414)	(11,857)
Adjustments for:		
Allowance for doubtful debts	-	144
Bad debts written off – trade receivables	-	8
Allowance for inventory obsolescence	67	458
Depreciation of property, plant and equipment	6,043	7,662
Interest income on bank deposits	(3)	(4)
Interest expense	573	755
Gain on waiver of loan from a corporate shareholder	-	(3,000)
Loss on disposal of property, plant and equipment	2,099	13
Impairment loss in value of idle assets	6,135	1,213
Write down in value of property, plant and equipment due to closure and relocation of factory	323	2,620
Operating cash flow before working capital changes	(5,177)	(1,988)
Decrease in inventories	206	597
Decrease in trade and other receivables	2,963	5,185
Decrease in trade and other payables	(1,839)	(1,807)
Cash flow (used in)/generated from operations	(3,847)	1,987
Income tax refund/(paid)	5	(146)
Interest paid	(573)	(755)
Interest received	3	4
Net cash (used in)/generated from operating activities	(4,412)	1,090
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	446	40
Purchase of property, plant and equipment	(694)	(411)
Payment of professional fees for acquisition of KRL*	(659)	-
Net cash used in investing activities	(907)	(371)
Cash flow from financing activities		
Repayment of term loans	(1,747)	(1,449)
Repayment of hire purchase liabilities	(452)	(1,020)
Loans from a corporate shareholder	6,229	2,950
Net proceeds from issuance of shares	4,239	-
Net cash generated from financing activities	8,269	481
Net increase in cash and cash equivalents	2,950	1,200
Cash and cash equivalents at beginning of year	(2,033)	(2,765)
Net effect of exchange rate changes on opening cash and cash equivalents	(673)	(468)
Cash and cash equivalents at end of year	244	(2,033)

*KRL - Kingworld Resources Limited

Breakdown of cash and cash equivalents at end of year

	31/12/2008	31/12/2007
	\$'000	\$'000
Cash and bank balance	2,362	886
Bank overdrafts	(2,118)	(2,919)
Cash and cash equivalents at end of year	244	(2,033)

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	Capital Reduction reserves	Assets revaluation reserve	Currency translation adjustment	Accumulated Loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
At 1 January 2007	6,232	3,710	2,373	(6,180)	(1,715)	4,420
Net effect of exchange differences and net expense recognised directly in equity	-	-	-	11	-	11
Loss for the year	-	-	-	-	(12,141)	(12,141)
Total recognised income and expenses for the year	-	-	-	11	(12,141)	(12,130)
Issuance of shares	12,474	-	-	-	-	12,474
At 31 December 2007 and 1 January 2008	18,706	3,710	2,373	(6,169)	(13,856)	4,764
Net effect of exchange differences and net expense recognised directly in equity	-	-	-	70	-	70
Loss for the year	-	-	-	-	(20,338)	(20,338)
Total recognised income and expenses for the year	-	-	-	70	(20,338)	(20,268)
Issuance of shares	4,360	-	-	-	-	4,360
Shares issue expenses	(121)	-	-	-	-	(121)
Impairment of property	-	-	(75)	-	-	(75)
At 31 December 2008	22,945	3,710	2,298	(6,099)	(34,194)	(11,340)
Company						
At 1 January 2007	6,232	3,710	-	-	(10,001)	(59)
Profit for the year	-	-	-	-	3,404	3,404
Issuance of shares	12,474	-	-	-	-	12,474
At 31 December 2007 and 1 January 2008	18,706	3,710	-	-	(6,597)	15,819
Loss for the year	-	-	-	-	(29,425)	(29,425)
Issuance of shares	4,360	-	-	-	-	4,360
Shares issue expenses	(121)	-	-	-	-	(121)
At 31 December 2008	22,945	3,710	-	-	(36,022)	(9,367)

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Ordinary Shares
Balance as at 1 January 2008	233,821,443
Placement of shares	40,000,000
Balance as at 31 December 2008	273,821,443

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

N.A.

- 1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

N.A.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis on matter).**

N.A.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation as the audited financial statements for the financial year ended 31 December 2007.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change**

N.A.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	31/12/2008	31/12/2007
	Cents	Cents
Earnings per ordinary share for the period based on net loss attributable to shareholders		
(i) Based on weighted average number of ordinary shares on issue; and	(7.69)	(5.44)
(ii) On a fully diluted basis	(7.69)	(5.44)

Basic loss per share is calculated on the net loss attributable to shareholders on weighted average number of ordinary shares of 264,531,826 (31/12/07: 223,142,196 shares).

There are no potential dilutive ordinary shares outstanding during the year.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**
 (a) current period reported on and
 (b) immediately preceding financial year.

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	(4.14)	2.04	(3.42)	6.77

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during financial period reported on.**

8.1 Income Statement

For the twelve months ended 31st December 2008, the Group incurred a loss before exceptional items of \$19.67 million against \$11.75 million in the previous year. This was mainly due to :

- (a) the increasingly deteriorating business conditions in respect of the Group's electronic business for the current year which, inter alia, necessitated the closure of the Group's plant in Penang;
- (b) the losses realized on disposal of property, plant and equipment; and
- (c) provision made for impairment loss in value of idle assets.

8.1.1 Revenue

The Group's sales have decreased substantially, due to reduced orders from existing customers and a lack of major new customers.

8.1.2 Gross Loss

The reduced contributions from sales have been insufficient to cover the factory overheads, resulting in the Gross Loss.

8.1.3 Other Operating Income

This mainly comprised the net exchange gain and also proceeds from disposal of fully written off inventories.

8.1.4 Selling and Distribution Expenses

Selling and distribution expenses have decreased in line with the fall in business volume.

8.1.5 Other Operating Expenses

Other operating expenses have increased significantly mainly due to a provision made for impairment loss in value of idle assets as well as loss on disposal of machineries and equipment.

8.1.6 Finance Costs

These have reduced in line with a reduction in bank borrowings.

8.1.7 Exceptional Items

Exceptional items included retrenchment costs and write down in value of property, plant and equipment as a result of the closure of manufacturing operations in Penang, Malaysia.

8.2 Balance Sheet

8.2.1 The Group's property, plant and equipment have decreased substantially due to provision made for impairment loss in value of idle assets and also reclassification of land and building of the Penang plant from Non Current Assets to Assets held for Sale.

8.2.2 The Group's net inventories, trade receivables and trade payables have continued to decrease due to the fall in business volumes. The reduction in bank borrowings and trade payables has been funded by additional shareholder loans.

8.2.3 Included in the other receivables are professional fees incurred in relation to the proposed acquisition of the entire share capital of Kingworld Resources Limited ("KRL"). These professional fees will be transferred to cost of investment upon completion of the proposed acquisition.

- 8.2.4** The deficit of \$11.34 million in the Group's Capital and Reserves as at 31 December 2008 will be covered in 2009 by the capitalization of shareholder loans and issue of new shares in connection with the acquisition of the entire share capital of KRL, subject to the required shareholder and regulatory approvals.

8.3 Cash Flow

During the year, the Group successfully raised net proceeds of \$4.24 million from the Placement of 40,000,000 new shares, as announced on 25 March 2008.

As at 31 December 2008, \$1.74 million of the net proceeds raised were utilized to fund the Group's working capital requirements. Of the balance of \$2.5 million earmarked for use in connection with the proposed acquisition of the entire share capital of KRL, \$0.77 million has been utilized for payment of the related professional fees and other expenses.

The remaining amount of the Group's working capital requirements, repayment of short term borrowings and purchase of plant and equipment have been funded by additional shareholder loans of \$6.23 million up to 31 December 2008.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results of the current financial year were generally in line with :-

- (a) the forecast made in the half year financial statement and dividend announcements for financial period ended 30 June 2008, which were released on 7 August 2008;
- (b) the financial impact of the closure of the Group's manufacturing operations in Penang, Malaysia as announced on 30 September 2008; and
- (c) the quarterly updates pursuant to Rule 1313(2) of the Listing Manual as announced on 29 August 2008 and 27 November 2008.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Given the current financial crisis and global economic slowdown, the Board is of the opinion that the Group is expected to incur a Loss before Exceptional Items in its electronics business in 2009. In this respect, the Group will continue to focus on securing new customers and reducing operating costs.

The Company is also currently taking steps to remove itself from the SGX Watchlist and improve its financial position with the proposed acquisition of KRL. The Board will make further announcements to update the shareholders on the Company's financial position on a quarterly basis as required under the SGX-ST Listing Manual, as well as any material developments on the proposed acquisition.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

N.A.

(d) Books closure date

N.A.

12. If no dividend has been declared / recommended, a statement to that effect

N.A.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Revenue		Total assets		Total capital expenditure		Depreciation	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>By Geographical Market</u>								
United States of America	787	1,083	-	-	-	-	-	-
Europe	1,306	2,351	-	-	-	-	-	-
Japan	2,658	2,388	-	-	-	-	-	-
People's Republic of China	2,355	5,594	3,073	17,504	889	894	5,616	6,954
Singapore	4,912	7,925	5,651	4,886	5	1	7	96
Malaysia	-	-	4,064	5,613	-	29	420	612
	12,018	19,341	12,788	28,003	894	924	6,043	7,662

14. In review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

N.A.

15. A breakdown of sales.

	Group		% Change
	\$'000	\$'000	
	31/12/2008	31/12/2007	
(a) Sales reported for first half	6,382	9,121	(30.03)
(b) Sales reported for second half	5,636	10,220	(44.85)
	12,018	19,341	(37.86)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full year (2008)	Previous Full Year (2007)
Ordinary	-	-
Preference	-	-
Total	-	-

17. Interested Person Transactions

N.A.

BY ORDER OF THE BOARD

Foo Sac Phoon
Chief Executive Officer & Executive Director
26 February 2009

BOARD NEGATIVE ASSURANCE CONFIRMATION

Confirmation by the Board Pursuant to Rule 705(4)

We, Dato' Sri Dr Tiong Ik King and Foo Sac Phoon, being two Directors of **TRI-M TECHNOLOGIES (S) LIMITED** (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the year ended 31 December 2008 to be false or misleading.

On behalf of the Board of Directors


Dato' Sri Dr Tiong Ik King
Director


Foo Sac Phoon
Director